



**Janet Murguia**, President

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August 15, 2007

Board of Governors of the Federal Reserve System  
Attention: Jennifer J. Jackson, Secretary  
20<sup>th</sup> Street and Constitution Avenue  
Washington, DC 20551

RE: Docket No. OP-1288

Dear Members of the Board:

On behalf of the National Council of La Raza (NCLR), the largest Latino civil rights and advocacy organization in the United States, I urge the Federal Reserve to use its rulemaking authority to curb abusive lending in the mortgage market. For years, NCLR has been warning policymakers that the mortgage market does not serve Latino homebuyers and homeowners effectively. Latinos, like many minorities, rely heavily on the equity in their home to serve as their financial safety net. Market inefficiencies leave Latinos, immigrants, and other underserved communities vulnerable to lending abuse. If gone unchecked, unethical lending practices will erode the financial security of millions of hardworking American families.

NCLR has a long history in the financial services field. For more than two decades, NCLR has actively engaged in relevant public policy issues such as preserving and strengthening the Community Reinvestment Act (CRA) and the Home Ownership Equity Protection Act (HOEPA), supporting strong fair housing and fair lending laws, increasing access to financial services among low-income people, and promoting homeownership in the Latino community. In addition to its policy and research work, NCLR has been helping Latino families become homeowners for the past decade by funding and training housing counseling agencies. The NCLR Homeownership Network (NHN) works with 20,000 families annually, nearly 3,000 of which become homeowners. NCLR has sophisticated relationships with major financial institutions, which allows NHN counselors to pre-qualify their mortgage-ready families in accordance with the product specifications of their partners. Our subsidiary, the Raza Development Fund (RDF), is the nation's largest Hispanic Community Development Financial Institution (CDFI). Since 1999, RDF has provided more than \$400 million in financing for locally based development projects across the country, building the capacity of local nonprofits and creating opportunities for Latino communities. These relationships have increased NCLR's institutional knowledge of how Latinos interact with the financial marketplace.

NCLR participated in a hearing held by the Federal Reserve on June 14, 2007. In this letter we expand on the oral statement delivered by Janis Bowdler, Senior Housing Policy Analyst,

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LA RAZA: The Hispanic People of the New World

regarding ways in which the Federal Reserve can exercise its authority under HOEPA to eliminate abusive lending practices from the marketplace. While the structural barriers facing Latino and immigrant borrowers are varied and complex, new origination rules can improve the safety and soundness of the market overall by reducing foreclosures and protecting wealth in underserved communities. This letter briefly describes these barriers, and provides recommendations to the Board in four areas in which your action can make a difference: income verification and affordability, escrow accounts, unfair practices aimed at families in foreclosure, and deceptive advertising in minority-language publications.

## **Background**

In several previous publications and testimonies before the Board,<sup>1</sup> NCLR has documented a number of persistent systemic flaws that result in Latino families being highly vulnerable to abusive lending tactics. The research is consistent and clear: Latinos end up paying more than necessary for their mortgage credit compared to other Americans and are at a higher risk of foreclosure. Approximately 40% of all loans made to Latinos are subprime, compared to 19% of loans to Whites. Research predicts that a disproportionate number of these loans will foreclose, with the heaviest impact on the minority communities where subprime loans are a dominant form of mortgage credit. Moreover, NHN counselors are reporting dramatic increases in homeowners seeking assistance in avoiding foreclosure.

For many Latino families, unique borrower profiles such as “thin” credit files and multiple sources of income are not processed effectively in an otherwise automated origination market. For example, 22% of Latinos have a “thin” credit file, or no credit history, which usually results in a “0” credit score, compared to only 4% of Whites.<sup>2</sup> Approximately 35% of Latino families do not have basic checking or savings accounts.<sup>3</sup> Borrowers that fall outside the traditional profile are often passed over by prime lenders, and subprime lenders move quickly to fill the credit gap. While the expansion of the subprime market has helped some families with poor credit history access home loans, they are typically more expensive, riskier, and, oftentimes, easier to abuse. Homeownership is only able to fulfill its traditional role of building wealth in low-income communities when borrowers are connected to products that reflect their true risk level. NHN organizations predominantly serve families with such nontraditional profiles. Yet they pre-qualify their clients for prime, FHA/VA, and portfolio loan products, debunking the myth that low-income, nontraditional credit families cannot qualify for prime products. In contrast, most lenders effectively limit the credit made available via such flexible products because of the increased cost and time associated with manually underwritten loans. These structural factors effectively bar many Latino families from obtaining prime mortgage financing.

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<sup>1</sup> *Testimony on the Impact of the Home Equity Lending Market on Latinos*, presented by Janis Bowdler, National Council of La Raza, August 15, 2006; Bowdler, Janis, *Searching for the American Dream: Creating a Fair Housing System that Works for Latinos*. Washington DC: NCLR, May 2006; Goering, John, ed., *Fragile Rights within Cities: Government, Housing, and Fairness*. Lanham, Maryland: Rowman & Littlefield, 2007; Bowdler, Janis, *Jeopardizing Hispanic Homeownership: Predatory Practices in the Homebuying Market*. Washington, DC: NCLR, March 2005.

<sup>2</sup> Stegman, Michael, *et al.*, "Automated Underwriting: Getting to 'Yes' for More Low-Income Applicants," Presented before the 2001 Conference on Housing Opportunity, Research Institute for Housing America Center for Community Capitalism, University of North Carolina-Chapel Hill, April 2001.

<sup>3</sup> *2002 National Survey of Latinos*. Washington, DC: Pew Hispanic Center/Kaiser Family Foundation, 2002.

The subprime market does not refer its “hard-to-serve” clients to another market. Rather, lenders in the subprime market rely on risk-based pricing models to price loans for any risk level. The criteria for gauging risk are discretionary, vary by lender, and are centered on making profits, rather than the appropriateness of the loan to the consumer’s financial situation. Lenders use credit enhancements such as increased interest rates and prepayment penalties to offset the perceived risk and increased cost of a manually underwritten client. In some cases, lenders sell Latino families stated income loans rather than take the time to verify their cash income and savings. According to data collected under the Home Mortgage Disclosure Act (HMDA), 11% of Hispanic denials for conventional loans were due to unverifiable information. In the meantime, third-party originators, such as mortgage brokers, have proven adept at servicing Latino families by diversifying their workforce, offering a wider range of products, and adopting a one-on-one style that makes Latino families feel comfortable. However, Yield Spread Premiums (YSPs) offered by lenders introduce another level of discretionary pricing. YSPs provide financial incentives for unethical brokers to steer borrowers to products that are more profitable for originators rather than those most appropriate to the client’s needs. Thus, Latinos and other minorities find themselves channeled toward the products most profitable to the lender, but which are expensive and risky for borrowers.

In response to these concerns, many industry stakeholders have pointed to the borrower’s responsibility to be a savvy consumer and enter the mortgage transaction with a healthy skepticism. However, not only do consumers not have the tools necessary to shop effectively, but the origination process has become so complex that it is unreasonable to assume a borrower could, or should be obligated to, become a regulatory force in the market.

### **Abusive and Deceptive Tactics in the Mortgage Market**

The atmosphere in today’s mortgage market is distinctly “buyers beware.” Despite record high foreclosure rates, most borrowers have little or no recourse available to them. Many find themselves in loans that were never affordable, or trapped in a cycle of equity-draining refinances. While the market has begun to adjust to compensate for seemingly loose underwriting standards, action from the Federal Reserve is still necessary to prevent future abuse. Below we discuss four areas we believe require rulemaking by the Board.

- **Income verification and affordability.** As described above, many Latino and immigrant families have difficulty documenting their income through conventional means, such as W-2s. For a community that is still struggling to access mortgage products that accommodate their distinctive profiles, product options and flexibility are important. Unfortunately, the prime market has not responded effectively to the needs of the Latino market, resulting in many families being steered toward stated income or “low doc” loans despite their ability to document their income, albeit through nontraditional means. These loans have been overused in the marketplace, and are often accompanied by abusive features such as rate hikes, overstatement of income, and deceptively low introductory rates with sizeable adjustment margins. Borrowers rely on mortgage professionals to coach them through the largest financial transaction they are likely to make in their lifetime. To follow through on the borrower’s expectation of this relationship, originators should be required to make loans the borrower can repay. Lenders must adopt flexible documentation standards that allow

borrowers multiple options to prove their income while still ensuring the borrower has sufficient income necessary to meet the proposed debt requirements.

- **Escrow accounts.** The practice of omitting taxes and insurance in the calculation of a borrower's monthly payment to make it appear more affordable should be classified as a deceptive act. Annual real estate tax bills catch average-income homeowners off guard and could send a family to foreclosure. In some cases, this omission is intentional, setting the borrower up for a cycle of wealth-stripping refinances. Where escrow is a standard part of doing business in the prime market, it is markedly absent in the subprime market, whose borrowers, arguably, stand to benefit most from escrow accounts. Escrow accounts should be required for subprime mortgages, high loan-to-value (LTV) ratios, or in other situations in which the borrower has little cash in reserve. This consumer should not be allowed to waive this option. Similarly, disclosing the absence of escrow is not an effective way to inform borrowers of the monthly cost of their home. In both cases, borrowers are unlikely to understand the full implications of a non-escrowed loan at the time of closing. Like other disclosures and waivers signed at this juncture, the notice will be lost in a string of paperwork. Moreover, our experience with borrowers suggests that even if a borrower did understand the risk of a not having escrow, they are unlikely to stop the transaction at the time of closing.
- **Deceptive acts during loss mitigation.** Recently, borrowers in crisis, many of whom have already been victimized by predatory lenders have become the targets of fraudulent and predatory foreclosure rescue scams. Borrowers desperate to save their homes are easy targets for predatory lenders who present themselves as "foreclosure consultants" and make unrealistic promises to save the home from foreclosure. Many victims feel like they have few options and are pressured into signing papers they do not understand. Predators commit to refinances or temporary transfer of deeds in which the family believes they will rent for a short period of time and earn their way back to ownership; others completely misrepresent the documents the client signs. Yet others pose as disinterested parties offering to negotiate with the lender/servicer on behalf of the borrower. In most cases, the contract is written with terms so burdensome it is unlikely the family will ever be able to recover its home or benefit from the sale of the property. These products are deceptive by nature and are designed to evade HOEPA. NCLR urges the board to clarify that these products qualify as extensions of credit under the Truth in Lending Act (TILA) and HOEPA. Please see Attachment A for examples of the solicitations sent to families facing foreclosure.
- **Deceptive advertising in minority-language press.** NCLR is concerned that little attention is being paid to mortgage advertisements in Spanish-language press. Latinos and other immigrants and language minorities turn to ethnic press to find practitioners that speak their language and seemingly have a better understanding of their loan needs. The advertisements in Spanish-language press are dominated by brokers and subprime lenders offering nontraditional and risky products. Anecdotal evidence suggests that many of these originators are niche shops, offering a single type of nontraditional loan (such as a negatively amortizing mortgage with a teaser rate). In marketing to who are likely to be first-time homebuyers, these lenders are actively steering borrowers to high-risk products regardless of their creditworthiness. In addition, many of these advertisements do not include the required

TILA disclosure. While disclosures alone will not protect borrowers, fairness in advertising is an important part of ensuring equal access to all credit available for all borrowers. See Attachment B for sample advertisements.

### **Recommendations**

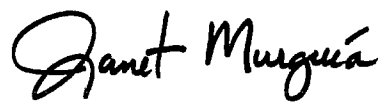
Last year, homeowners suffered more than one million foreclosures, a more than 40% increase from the previous year. We urge the Federal Reserve to use its rulemaking authority to create new origination rules that improve the safety and soundness of the market overall by reducing foreclosures and protecting wealth in underserved communities. To that end, we offer the following three recommendations:

- **Require originators to make loans borrowers can afford to repay.** Unaffordable loans are at the root of many abusive lending tactics. NCLR urges the Federal Reserve to take two actions that will promote the origination of loans borrowers can afford to repay. We recommend that the Board require originators to use the best and most appropriate documentation available when verifying the borrower's income. This will promote the flexible documentation standards Latino, immigrant, and other underserved borrowers need while protecting them from unethical originators who seek solely to inflate their own income. In addition, we recommend that the Board require escrow accounts for all subprime mortgages, high LTV loans, and others where the borrower has little cash in reserve.
- **Declare foreclosure "rescue" products extensions of credit, and make them subject to TILA and HOEPA.** When signing a "rescue" contract, most borrowers believe they are receiving a type of mortgage loan. In fact, most foreclosure rescue scams are structured to evade HOEPA requirements. By classifying these products as home loans, the Board will provide thousands of preyed upon borrowers with recourse under protections available through HOEPA.
- **Discourage steering through advertisements.** NCLR calls on the Federal Reserve, the Department of Housing and Urban Development (HUD), and the Department of Justice to initiate an investigation into deceptive advertising targeted at language-minority populations. Little is known about how consumers choose to enter certain channels of the mortgage market. However, it is clear that language minorities are at a disadvantage and have fewer options presented to them in minority-language press. In addition, the Federal Reserve should extend the required TILA disclosures to include third-party advertisements. Independent mortgage brokers are not required to use the same disclosures as lenders, though they are the most often used origination channel. Finally, to the extent that lenders advertise to diverse audiences (through free language-specific publications, for example), they should be required to offer a diverse range of products to meet the needs of that population.

Ensuring that Latino and immigrant homeowners have access to appropriate mortgage products is critical to helping them climb the economic ladder and become solid members of the American middle class. As we have learned from the current crisis in the subprime lending market, it is also vital for the nation's economic health. Thank you for the opportunity to share our views on how the Federal Reserve can use its authority to curb abusive practices in Latino communities, and help more Latinos purchase and keep their own homes. Should you have any

questions related to these comments, please contact Janis Bowdler, Senior Housing Policy Analyst, at [jbowdler@nclr.org](mailto:jbowdler@nclr.org) or (202) 776-1748.

Sincerely,

A handwritten signature in black ink that reads "Janet Murguía". The signature is written in a cursive style with a large, stylized "J" and "M".

Janet Murguía  
President and CEO

## ATTACHMENT A

### Sample Foreclosure Rescue Program Solicitations

zando el espacio, y  
diendo diferentes tipos de  
pisos, puede hacer de

sus herramientas y  
demás. Acomode el alma-

automovilismo, puede  
crear un piso sólo para la



**SI NECESITA VENDER  
SU CASA RÁPIDO  
LLAMENOS NOSOTROS  
COMPRAMOS SU CASA  
HASTA EN DOS DÍAS.**

En cualquier  
situación o cualquier  
condición

**VENDA911.com**

- Exceso de deudas
- Bancarrota
- Pérdida de trabajo
- Problemas de salud
- Por viaje
- Problemas económicos,  
hipotecarios, familiares,  
conjugales, problemas con  
la corte-carcel, deportación,  
jubilación, etc.

**¡No pierda su casa! ¡Véndala en 2 días!**

**Llame hoy, no espere más**

**301-931-6400**

June 8, 2007



~~Constantina Dominguez~~  
3008 S. Central Park  
Chicago, IL 60623

The client came in to see us on June 1, 2007. She went to court in March 2007 because she was summons for the foreclosure court date and they gave her thirty days to sell the house. There she met Mario Guerrero whom offered to help either sell or refinance the home. He called her saying that he had a prospective buyer. He charged her \$600 for the appraisal. Shortly thereafter she tried to reach him and could not.

In May, she was told by the judge that she has to vacate the premises because her property was sold for less than she paid for. She did a deed-in lieu with Mario.

The Attorney General's office of Lisa Madigan is currently reviewing this case. I am working along with Countrywide to get her some assistance.

**FIRST SOURCE ONE INC**

**STOP FORECLOSURE NOW**

**WE SPECIALIZED IN HELPING PEOPLE IN  
FORECLOSURE, BASED ON AN  
ANALYSIS OF YOUR CASE, WE WILL  
IMFORMED YOU OF THE OPTIONS  
AVAILABLE TO YOU.**

**WE WILL BUY YOUR PROPERTY AND GIVE YOU CASH  
WITHIN 14 DAYS**

**DON'T LOOSE YOUR HOME CALL NOW  
24 HOURS 7 DAYS A WEEK**

**773-557-9222 MARIO GUERRERO**

**REGARDLESS OF THE REASON THAT YOU ARE  
IN FORECLOSURE; WE ARE HERE TO  
HELP YOU OUT OF IT**

# Millennia Mortgage Corporation

(800) 562-6254

23046 Avenida de la Carlota, Suite 100  
Laguna Hills, CA 92653



New PIN Enclosed

~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

~~XXXXXXXXXX~~

Your first mortgage of \$91,000 may be restructured to a Fixed Rate at the lowest payment ever offered in the history of mortgage banking. With a rate that low you can reduce your current monthly mortgage payment by up to 50%.

## 12 Months NO Mortgage Payment\*

That's right.

We will give you the money to make your first 12 payments if you call in the next 7 days.

We will pay your first 12 minimum monthly mortgage payments. This is not added to your loan.  
WE PAY IT FOR YOU.

Our restructuring department has researched public records to compare our new Fixed Rate loan against your existing loan and our loan program may reduce your current monthly payment by as much as 50% and allow you no payments for the first 12 months.

Call us today at (800) 562-6254 and mention your new PIN: 31 6110 1683

Monday - Friday 6 AM - 9 PM and Saturday 8 AM - 4 PM

Millennia Mortgage Corporation

RESPOND ONLINE VIA OUR SECURE WEBSITE: [www.debtpayoff.com](http://www.debtpayoff.com)



2/21/2007 \*Lender credit at time of funding equivalent to 12 months minimum payment option at .25% interest. First 12 months minimum payment option at 0.25% interest (10 year fixed rate 6.875% / APR 7.467%). Subsequent months will adjust as the index changes. Minimum payments at 0.25% can be made up to 10 years or until your loan has a maximum allowable principal and deferred interest balance (negative amortization) of 135% of your loan amount at time of funding. Thereafter, until the final payment, the payment will be the amount sufficient to pay the unpaid principal balance in full on the maturity date at the applicable interest rate as determined by index and margin. Above rates based on a 30-year term and 65% loan to value and a \$500,000 loan amount. Home value determined by licensed appraiser. To qualify, all applicants must meet underwriting credit criteria including, but not limited to, acceptable property as collateral and credit worthiness. New loan assumes first lien priority. Not affiliated with any government agency. Not affiliated with current lender. Current loan amount obtained through public records. Millennia Mortgage Corporation 23046 Avenida de la Carlota, First Floor Laguna Hills, CA 92653. Colorado Supervised Lender License #97264.

February 15, 2007

Dear Maria & Jesus,

Your home has recently been sent into foreclosure by your mortgage company, but we can stop the foreclosure. You will soon start getting a lot of letters, phone calls, and people stopping by your home. We can stop those calls and give you a real solution.

**OPTION 1:** We will pay off your loan and give you CASH for the equity in your home, no matter how much you owe or what condition the house is in. No Equity No Problem.

**OPTION 2: SAVE YOUR HOUSE** We will catch up your back payments and **lower your monthly house** payments so you can stay in your house! No Equity No Problem

**HERE ARE SOME BENEFITS YOU WILL GET BY SELLING YOUR HOME:**

- You will receive CASH.
- You will stop the foreclosure process and save your credit.
- All liens and back taxes will be paid off.
- You will not face eviction.

**WHEN YOU CALL US AT 303-660-5509, HERE'S WHAT TO EXPECT:**

- We will need to know what you want to do, sell or stay?
- We will need to know how much you owe on your house.
- Honest and sound advice from a licensed professional.
- A quick and effective plan to fix the situation.
- We will negotiate with the bank reducing what you owe & saving you money!

**Remember** it simply does not matter how much you owe or what condition your house is in. Every week we help people in foreclosure who have homes with no equity and that need lots of repairs. We know this letter is short and to the point but, we must act quickly together to provide the best solution for you. We will treat this personal situation with sensitivity and compassion just like we would our own family. Due to the economy and many other reasons 100's of people every week are in the same situation, you're not the only one. You have options we can help, however if you delay your options will become limited. You must act now to insure the best solution. Talk with you soon!

Best Wishes,



Derek & Lisa Jarr  
Done Deal Investments, LLC.  
303-660-5509 Direct



Check out our good standing on [www.BBB.org](http://www.BBB.org)

# NOTICE

**IF YOU'RE IN FORECLOSURE, YOUR HOME COULD BE SOLD AT PUBLIC AUCTION  
IF YOU DO NOT ACT NOW.**

**YOU SHOULD CALL NOW TO SAVE YOUR HOME.**

**YOU MAY QUALIFY FOR GOVERNMENT ASSISTANCE.**

|||||  
EXT 1150

Case#:

Amount of Judgment: \$50,000  
Date of Record: 3/16/2007

Auction Date: 6/15/2007  
Document #:

Defendant 1:

Defendant 2:

Defendant 3:

Defendant 4:

**It is not too late to save your home. The UNITED HOME SAVERS PROGRAM was designed for homeowners like you who have experienced a hardship, and need to find a way to get your mortgage payments back on track again.**

**Individuals that call in for the UNITED HOME SAVERS PROGRAM could qualify for Government Assistance.**

**You may be unaware of what you're entitled to as a homeowner in America. Act now before your house could be sold at auction and the sheriff evicts you and your family from your home.**

**The UNITED HOME SAVERS PROGRAM was designed for homeowners that have had a hardship and have fallen behind on their mortgage. United Home Savers will help you get what you're entitled to, to help save your home.**

**YOU MUST CALL NOW for the UNITED HOME SAVERS PROGRAM 1-877-442-9858.**

**We are Open 9AM to 10PM EST and one of our senior underwriters is ready to help you save your home.**

**Sincerely,  
Senior Underwriter**

**YOU SHOULD CALL NOW SO YOU DON'T LOSE YOUR HOME !!!!  
Call 1-877-442-9858 Ext. 1150 to save your home NOW!**

**COURTHOUSE RECORDS SHOW  
YOU ARE IN DEFAULT ON YOUR OBLIGATION WITH  
YOUR LENDER**



T4 P5



**IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN PAYMENTS,  
AND YOU HAVE NOT ALREADY TAKEN ACTION TO RESOLVE THIS,  
YOU MAY LOSE YOUR HOME.**

Amount of Judgment	Reference to Lender	County	YUMA
Date of Record	03/16/2007	Loan Amount	\$50.00
Sale Date	Pending	Document #	Not Available

**CANDELARIA RUIZ**

In these tough times things can happen beyond your control and this may have caused you to get behind on your payments. It may not be too late to save your home. You may be eligible for our *Second Chance Program*.

You may be eligible for an alternative to foreclosure even if you are not able to pay all you now owe to  
**YOUR LENDER.**

**YOUR HOME IS YOUR MOST VALUABLE ASSET. YOU CANNOT AFFORD TO LOSE IT!**

**FORECLOSURE ASSISTANCE SOLUTIONS IS NOT YOUR LENDER.** We work for you, with your Lender, to find a solution you can use to save your home. A fee is charged by Foreclosure Assistance Solutions for its services to work with your Lender and facilitate a repayment plan for you. FAS does not offer legal advice.

**IF YOU FAIL TO ACT, YOUR HOME MAY GO TO AUCTION, WITH YOUR SUBSEQUENT EVICTION BY THE SHERIFF.**

The *Second Chance Program* is only for people who want to save their home. To take advantage of this program and prevent you and your family from losing your home, you must call us at Foreclosure Assistance Solutions immediately at the number below:

**CALL NOW 1-888-867-2903**

**YOU MUST ACT NOW!** Office hours are 9 a.m. to 10 p.m. Mon. - Fri. 9 a.m. to 5 p.m. Saturday

My team stands ready to work for you and to help you take advantage of the *Second Chance Program*.

**AT FORECLOSURE ASSISTANCE SOLUTIONS WE BELIEVE EVERYONE HAS THE RIGHT TO A SECOND CHANCE.**

Sincerely,

*Pat Anderson*  
Pat Anderson  
Homeowner Assistant  
Foreclosure Assistance Solutions

*Bred Hudson*  
*1-888-249-2529*  
*27*

**Call 1-888-867-2903 Immediately For A Second Chance To Save Your Home Now!!**

DEFAULTING PARTY(IES):  
PROPERTY TO BE FORECLOSED:

**NOTICE OF PENDING FORECLOSURE, AUCTION, AND EVICTION**

OUR RECORDS INDICATE A COMPLAINT HAS BEEN FILED AGAINST YOU FOR FORECLOSURE ON YOUR HOME. THIS DOCUMENT CONTAINS INFORMATION AVAILABLE IN THE PUBLIC RECORD BUT IS NOT A LEGAL DOCUMENT.

TO THE ABOVE NAMED DEFAULTING PARTY(IES) AND ALL OTHERS WHOM IT MAY CONCERN:

1. YOU ARE HEREBY NOTIFIED that public records show a Complaint has been filed against you on behalf of YOUR LENDER and/or their Representatives for delinquencies in your mortgage or other debt secured by real property. Records show the amount of default to be Not Available. This figure may not be exact as public records are sometimes inaccurate. If you have not already done so you are encouraged to contact an attorney for assistance with any legal matters.
2. RECORDS indicate the following property located in YUMA County is scheduled to be foreclosed upon:  
2720 W 5TH ST  
YUMA, AZ 85364-2613
3. IN ADDITION TO THE PRIMARY DEFAULTING PARTY said Complaint may extend to any unknown spouses or children of the defaulting party, and any other persons discovered through diligent inquiry as having legal and financial responsibility for the property.
4. POSSIBLE RELIEF IS SOUGHT AS TO SUCH PROPERTY for foreclosure of a mortgage held by YOUR LENDER and/or their Representatives against the property.
5. EXTENT OF FORECLOSURE may include, but not be limited to, the following:
  - a. Recovery of all delinquent mortgage payments
  - b. Recovery of all delinquent taxes, interest, and insurance
  - c. The balance due on the Note or Mortgage
  - d. Recovery of all costs, fees, and any required advances
  - e. Recovery of any legal fees and expenses
  - f. Seizure and auction of additional assets as permitted by law
  - g. Auction of the property to recover some or all of the above
  - h. Eviction of homeowner and family from the property by authorities.
6. THE PERIOD OF YOUR REMEDY to the above is limited by the laws of YUMA County, state of Arizona, and allows you a limited time to resolve said complaint IF YOU HAVE NOT DONE SO BY THIS TIME.
7. IF YOU HAVE NOT ACTED TO REMEDY THE COMPLAINT CONTACT THE FOLLOWING IMMEDIATELY:

FORECLOSURE ASSISTANCE SOLUTIONS

1-888-867-2903

9:00 a.m. - 10:00 p.m. Monday - Friday

9:00 a.m. - 5:00 p.m. Saturday

*Handwritten:*  
Helding  
\$1,200

## ATTACHMENT B

Sample Advertisements from  
the Washington Post and the Washington Hispanic



# Mortgage Rates From Top Area Lenders

Lender	Note type	90 and 80 Percent Loans				80 Percent Loans Above \$417,000			
		Note rate	Total points	APR	Loan limit	Note rate	Total points	APR	Loan limit
Bank of America	30-year fixed	6 1/4%	1	6.389	\$417,000	6 1/4%	1	6.498	\$1,000,000
Mortgage	15-year fixed	5 1/4%	1	6.15	\$417,000	6 1/4%	1	6.316	\$1,000,000
800-279-7084	1-year adjustable	5 1/4%	1	7.604	\$417,000	5 1/4%	1	7.607	\$1,000,000
SunTrust Mtg.	30-year fixed	6 1/2%	1 1/4	6.519	\$417,000	6 1/2%	1	6.513	\$1,000,000
	15-year fixed	6 1/2%	1	6.157	\$417,000	6 1/2%	1	6.146	\$1,000,000
301-517-5407	1-year adjustable	6 1/2%	1	6.874	\$650,000	6 1/2%	1	6.869	\$1,000,000
First Savings Mtg.	30-year fixed	5 7/8%	4	NA	\$417,000	6%	3 1/4	NA	\$1,000,000
	15-year fixed	5 7/8%	3 1/4	NA	\$417,000	5 7/8%	3 1/4	NA	\$1,000,000
703-883-9010	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$1,000,000
Countrywide	30-year fixed	6 1/4%	1	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
Home loans	15-year fixed	6%	1	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$1,000,000
Chase	30-year fixed	6 1/4%	1	6.34	\$417,000	6 1/4%	1	6.46	\$1,100,000
	15-year fixed	6 1/4%	1	6.45	\$417,000	6 1/4%	1	6.3	\$1,100,000
800-448-6080	1-year adjustable	5 1/4%	1	7.65	\$417,000	5 1/4%	1	7.65	\$1,100,000
First Horizon	30-year fixed	6%	3	NA	\$417,000	6 1/4%	3	NA	\$1,000,000
Home Loans	15-year fixed	5 1/4%	3	NA	\$417,000	5 1/4%	3	NA	\$1,000,000
703-631-0098	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$1,000,000
National City Mtg.	30-year fixed	5 7/8%	3	NA	\$417,000	6 1/4%	1 1/4	NA	\$1,500,000
FNMC/AccuBanc	15-year fixed	5 1/4%	2 1/4	NA	\$417,000	5 7/8%	2 1/4	NA	\$1,500,000
	1-year adjustable	5 1/2%	2 1/4	NA	\$417,000	5 1/2%	2	NA	\$1,500,000
IndyMac Bank	30-year fixed	6 1/4%	11 1/3	6.577	\$417,000	6 1/4%	1		\$
3/7	6.697%	000		\$	%			\$	
	15-year fixed	6%	1 1/4	6.347	\$417,000	6 1/4%	11 1/5	6.662	\$1,000,000
877-808-3863	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$1,000,000
George Mason Mtg.	30-year fixed	6 1/4%	1	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
	15-year fixed	6 1/4%	1	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
703-934-4307	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$1,000,000
Prosperity Mortgage	30-year fixed	6 1/2%	1	NA	\$417,000	6 1/4%	1 1/4	NA	\$650,000
	15-year fixed	6 1/4%	1	NA	\$417,000	6 1/4%	1	NA	\$650,000
240-632-6700	1-year adjustable	5 7/8%	1	NA	\$417,000	6%	1	NA	\$650,000
Fidelity & Trust	30-year fixed	5 7/8%	24/9	NA	\$417,000	6%	2 1/4	NA	\$650,000
Mortgage	15-year fixed	5 1/4%	2 1/4	NA	\$417,000	5 1/4%	2 1/4	NA	\$650,000
301-907-8030	1-year adjustable	5 1/4%	1 1/4	NA	\$417,000	5 1/4%	1	NA	\$650,000
Washington Mutual	30-year fixed	6 1/4%	0	NA	\$417,000	6 1/4%	0	NA	\$3,000,000
	15-year fixed	6 1/4%	0	NA	\$417,000	6 1/4%	0	NA	\$3,000,000
888-WAMU-LEND	1-year adjustable	5 1/4%	0	NA	\$417,000	5 1/4%	0	NA	\$3,000,000
Intercoastal	30-year fixed	6 1/4%	1	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
Mortgage Co.	15-year fixed	6 1/4%	1	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
703-449-6800	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$1,000,000
Navy Federal	30-year fixed	6 1/2%	0	6.447	\$417,000	6 1/4%	0	6.447	\$1,000,000
Credit Union	15-year fixed	6 1/4%	0	6.243	\$417,000	6 1/4%	0	6.243	\$1,000,000
703-255-7300	1-year adjustable	5 1/4%	0	7.675	\$417,000	5 1/4%	0	8.064	\$1,000,000
Wachovia Mortgage	30-year fixed	6 1/4%	0	6.67	\$417,000	6 1/4%	0	6.785	\$1,000,000
	15-year fixed	6 1/4%	0	6.322	\$417,000	6 1/4%	0	6.556	\$1,000,000
703-548-5723	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$1,000,000
American Home	30-year fixed	6 1/4%	0	NA	\$417,000	6 1/2%	1 1/4	NA	\$1,000,000
Mortgage	15-year fixed	6 1/2%	0	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
301-704-8535	1-year adjustable	5%	1	NA	\$417,000	5 1/4%	1	NA	\$1,000,000
Sandy Spring	30-year fixed	6 1/4%	1	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
Bank	15-year fixed	6 1/4%	1	NA	\$417,000	6 1/4%	1	NA	\$1,000,000
800-869-8523	1-year adjustable	4 7/8%	1	NA	\$417,000	5%	1	NA	\$1,000,000
Bethesda Home	30-year fixed	6 1/2%	0	6.405	\$417,000	6 1/2%	0	6.523	\$650,000
Mortgage	15-year fixed	6 1/4%	0	6.344	\$417,000	6 1/4%	0	6.287	\$650,000
301-907-0206	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$650,000
Colombo	30-year fixed	6 1/2%	0	NA	\$417,000	6 1/4%	0	NA	\$650,000
Bank	15-year fixed	6 1/2%	0	NA	\$417,000	NA	NA	NA	\$650,000
800-640-9767	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$650,000
East West	30-year fixed	6 1/4%	0	6.475	\$417,000	6 1/4%	0	6.475	\$650,000
Mortgage Co.	15-year fixed	6%	0	6.1	\$417,000	6%	0	NA	\$650,000
800-880-1665	1-year adjustable	NA	NA	NA	\$417,000	NA	NA	NA	\$650,000

**Total points** is the fee paid to lender at time of loan closing, as a percentage of the loan balance.

**Loan limit** is the maximum amount the lender will loan for the minimum down payment and other terms shown.

**APR** is the annual percentage rate, which is an estimated annual cost of the loan to the borrower. APRs are included for comparison only.

APRs for adjustable loans are calculated using the fully indexed rate (i.e. margin plus index). When applying for a loan, federal truth-in-lending law requires lenders to calculate an APR specific to each loan offer.

Mortgage rates often change daily. The above rate information, collected by National Financial News Service and Shoprate.com, is based on a list of the area's most active home-purchase lenders. The rates are subject to change without notice and may be lower or higher than those of other lenders in the area.

June 9, 2007

June 8,  
2007

**\$\$\$\$ 0 DINERO**  
**NO CUOTA INICIAL**  
**100% FINANCIAMIENTO**  
 Nosotros tenemos un programa de préstamo para cada situación. Solo pregunte por:

**June Lopez**  
**703-906-9557**

Nueva casa  
Dinero en efectivo  
Mal crédito

No crédito  
Bancarrota  
Vendiendo

Refinanciamiento  
Sin ciudadanía  
Buen crédito  
Ha sido rechazado

**¿Todavía rentando? No tire su dinero**

Pregunte acerca - Programa de renta con opción a compra!!!

**1%** Disponible todavía (Opción de interés solamente)  
 Pagos tan bajos como:

\$250,000	= \$1,125 por mes
\$450,000	= \$1,446 por mes
\$550,000	= \$1,768 por mes

Todas las aplicaciones son aceptadas!

Restricciones son aplicables. Llame por detalles.

Llama para una aprobación inmediata.

**GREENWAY FINANCIAL**  
 "Your Guide to Home Ownership"

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**Permítanos  
 ayudarle en  
 una de las  
 transacciones  
 y decisiones  
 más importantes  
 de su vida**



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- Le ofrecemos servicio gratuito de preaprobación de su préstamo
- Análisis gratuito de la venta de su casa.
- Servicio profesional en la compra y venta de su casa
- Como propietario